

REMARKS

I. Introduction

Claims 1-22 were pending in the application.

Claims 1-22 were rejected under 35 U.S.C.

§ 103(a) as being unpatentable over May, U.S. Patent No. 6,317,727 ("May").

Claims 23-28 have been added. No new subject matter has been added by the new claims. The new claims are supported in the specification as originally-filed at, e.g., page 4, line 10 to page 5, line 3, page 10, line 11 to page 11, line 20 and FIG. 2, steps 228 and 234.

Applicants request that these new claims be entered.

The rejections are respectfully traversed.

II. Summary of Telephonic Interview

Examiner Jagdish Patel, Examiner Steven R.

Wasylichak, the undersigned and undersigned's colleague Joel Weiss, Reg. No. 44,398, conducted a telephonic interview on April 6, 2005. The undersigned and Mr. Weiss (hereinafter "applicants' representatives") wish to thank Examiner Patel and Examiner Wasylichak (hereinafter "the Examiners") for the courtesies extended during the interview.

Details of the substance of the interview will appear in more detail in the discussion below where appropriate. Generally, the Examiners and the applicants' representatives discussed whether "shut[ting] off trading for the counterparty," which is specified in independent claims 1 and 12, is shown or suggested in May. The Examiners and applicants' representatives discussed whether May's disclosure regarding blocking completion of a trade between a pair of counterparties when the gross counterparty credit limit is exceeded is sufficient to show

or suggest applicants' claimed feature (see May, e.g., column 1, line 51 to column 2, line 8). Applicants' representatives pointed out that this disclosure merely shows preventing transactions between specific parties and does not show or suggest "shut[ting] off trading for the counterparty." Applicants' representatives believe that the Examiners were persuaded by the applicants' representatives' argument that this aspect of May's disclosure does not show or suggest applicants' claimed invention. However, the Examiners stated that they will review the May reference with regard to applicants' argument and possibly further search for additional references that may be relevant to the claimed invention.

The Examiners and applicants' representative also discussed amending claims 1 and 12 to more particularly define "shut[ting] off trading for the counterparty." Applicants' representatives stated that they believe this feature is well-defined. However, applicants have added new dependent claims 23-28 for examination which modify the feature of "shut[ting] off trading for the counterparty."

III. Reply to the Rejection Under 35 § 103(a)

Applicants' independent claims 1 and 12 relate to a system and method for monitoring credit of a counterparty having a parent entity. Trade information relating to trades entered into by the counterparty are received. Positions for the counterparty indicated by the trade information are accumulated with previously accumulated positions. Positions for the parent entity indicated by the trade information are accumulated with previously accumulated positions. At least one of accumulated counterparty positions and accumulated parent entity positions are compared with at least one trading limit.

Trading for the counterparty is shut off when at least one of the accumulated counterparty positions and the accumulated parent entity positions exceeds the at least one trading limit.

The Office Action contends that applicants' claimed features are obvious over May. Applicants respectfully disagree. In support of this disagreement, applicants hereby incorporate the remarks presented in the September 24, 2004 Reply to Office Action and elaborate on those remarks below.

May and the prior art systems discussed in May's Background of the Invention are directed toward a credit monitoring system for pairs of counterparties. More specifically, in one of the prior art systems (the Silverman system) a "credit limit" functions to cap the monetary amount of trading one party can transact with another party. (See May, column 1, lines 65 - column 2, line 5). If the amount exceeds the credit limit, the Silverman system appears to disclose preventing the transaction between the parties. (See May, column 2, lines 27-39). May, itself, discloses credit preferences being inputted by each counterparty. As defined in May, credit preferences are used to determine whether parties to a transaction are eligible to trade with each other. Transaction eligibility may be determined by, for example, simply indicating yes or no to trade with a particular party. (See May, column 5, line 49 to column 6, line 11).

Applicants submit that May does not show or suggest "shutting off trading for the counterparty when at least one of the accumulated counterparty positions and the accumulated parent entity positions exceeds the at least one trading limit." May and the prior art systems May

discusses only concern preventing specific transactions between specific parties. In Silverman, a specific transaction between a pair of counterparties is prevented if a credit limit is exceeded, while in May parties can choose with which parties they will trade. Applicants' claims, on the other hand, require shutting off trading for a counterparty. This means that all transactions for a counterparty are prevented, not just a specific transaction between specific parties. As described in applicants' specification, and claimed in new claims 23-28, this can mean, for example, shutting off or disabling the counterparty's trading account or shutting off the counterparty's ability to trade. (See applicants' specification at, e.g., page 4, line 10 to page 5, line 3, page 10, line 11 to page 11, line 20 and FIG. 2, steps 228 and 234).

In addition, applicants respectfully submit that the Office Action has failed to point to any suggestion or motivation to modify May to include the features of applicants' invention, as defined by independent claims 1 and 12. It is required that "[e]ven when obviousness is based on a single prior art reference, there must be a showing of a suggestion to modify the teachings of that reference." In re Kotzab, 217 F.3d 1365, 1370, 55 U.S.P.Q. 1313, 1316-1317 (Fed. Cir. 2000) (emphasis added). However, even assuming that there was some teaching or suggestion in the prior art of the claimed invention, which there is not, the Office Action fails to provide any motivation to modify the system described in May. The teaching or suggestion to make the claimed combination must be found in the prior art, not in applicants' disclosure.


See In re Vaeck, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991).

Therefore, at least because May fails to show or suggest "shutting off trading for the counterparty when at least one of the accumulated counterparty positions and the accumulated parent entity positions exceeds the at least one trading limit" as defined by independent claims 1 and 12, and because there is no suggestion or motivation to modify May to include all the features recited in independent claims 1 and 12, independent claims 1 and 12 are in condition for allowance. Claims 2-11 and claims 13-28 which depend from one of independent claims 1 and 12 are also in condition for allowance. Applicants respectfully submit that the rejection of the claims be withdrawn.

IV. Conclusion

The foregoing demonstrates that applicants' claims 1-28 are patentable. This application is therefore in condition for allowance. Reconsideration and allowance of this application are respectfully requested.

Respectfully submitted,



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